

~~income tax withholding return the person shall complete and file with the Comptroller an annual income tax withholding return on or before January 31 that follows that calendar year.~~

(b) (1) **[If]** SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IF a person was required to withhold \$15,000 or more for the preceding calendar year, the person shall complete and file an income tax withholding return with the Comptroller within 3 business days following each payroll that causes the total accumulated tax withheld to equal or exceed \$700.

(2) (I) IF A PERSON IS ALLOWED TO FILE FEDERAL WITHHOLDING TAX RETURNS ON A MONTHLY BASIS, THE PERSON MAY APPLY TO THE COMPTROLLER FOR A WAIVER FROM THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION.

(II) A WAIVER PROVIDED UNDER THIS PARAGRAPH SHALL ALLOW A PERSON TO FILE STATE WITHHOLDING TAX RETURNS ON A MONTHLY BASIS FOR THE REMAINDER OF THE CALENDAR YEAR.

(III) A PERSON MAY APPLY FOR RENEWAL OF A WAIVER PROVIDED UNDER THIS SUBSECTION IF THE PERSON REMAINS ELIGIBLE TO FILE FEDERAL WITHHOLDING TAX RETURNS ON A MONTHLY BASIS.

(IV) THE COMPTROLLER MAY ESTABLISH REGULATIONS TO IMPLEMENT THE PROVISIONS OF THIS SUBSECTION.

~~(c) (1) A person required to file a quarterly or monthly income tax withholding return shall continue to file returns, whether or not the person is withholding any income tax, until the person gives the Comptroller written notice that the person no longer has employees or no longer is liable to file the return.~~

~~(2) A person required to file returns under subsection (b) of this section shall file a return at least once every month until the person gives the Comptroller written notice that the person no longer has employees or no longer is liable to file the return.~~

~~(d) Each person required to file a return under this section shall file returns for other periods and on other dates as the Comptroller specifies by regulation, including periods in which the person does not pay wages subject to withholding.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2006, and shall be applicable to all calendar years beginning after December 31, 2006.

Enacted May 26, 2006.